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SECOND ANNUAL REPORT OF THE GOVERNOR OF THE PROVINCE OF MORO

FOR FISCAL YEAR ENDED JUNE 30, 1905

BY

CAPT. GEO. T. LANGHORNE
ELEVENTH UNITED STATES CAVALRY, AID-DE-CAMP
SECRETARY, ACTING GOVERNOR

ZAMBOANGA, MINDANAO, P. I.
SEPTEMBER, 1905

MANILA
BUREAU OF PRINTING
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ZAMBOANGA, MINDANAO, P. I., *September 22, 1905.*

SIR: The following annual report is submitted during the temporary absence of Maj. Gen. Leonard Wood, governor of the Moro Province:

General Wood left for the United States on leave in May last and is expected back the latter part of October.

The following changes have occurred during the year:

The undersigned went on leave of absence October 31, 1904, and was replaced as secretary by Capt. F. R. McCoy, Third Cavalry, aid-de-camp.

Capt. Charles Keller resigned as provincial engineer, to return with his battalion to the United States on June 1, 1905. The duties of that office again devolved upon Captain McCoy, secretary, who had acted as engineer during Captain Keller's absence traveling in the Orient, from about March 1 to May 15.

On the recommendation of General Wood the undersigned was, on his return from leave, reappointed secretary and Captain McCoy was appointed engineer of the Moro Province June 9, 1905.

Mr. T. R. Henderson resigned as district secretary of Davao November 30. Mr. O. V. Wood was appointed in his stead.

Capt. O. J. Charles, Seventeenth Infantry, due to the return of his regiment to the United States, resigned as district secretary, Sulu, on June 30, 1905, and Capt. W. R. Smedberg, jr., Fourteenth Cavalry, was appointed to succeed him on July 2.

Mr. A. P. Hayne resigned as district secretary, Lanao, September 30. Capt. E. W. Griffith, Philippines Constabulary, was appointed his successor June 1, 1905.

October 1, 1904, the legislative council, Moro Province, passed Act No. 79, authorizing the governor of the Moro Province to employ not to exceed five suitable persons to be assigned to special work among the wild tribes and to do such other work as may be directed by the provincial governor. Under this act the following were appointed:

Mr. John Lee Chapman, March 29, 1905, assigned to the district of Lanao.

Mr. J. M. Browne, July 15, 1905, assigned to the district of Zamboanga.

Tuan Hadji Butu, October 10, 1904, assigned to the district of Sulu.

Efforts to conduct the government of the province economically have met with gratifying success.

The cost of the executive or administrative branch is as follows:

Item.	Provin- cial.	District.					Total.
		Zam- boanga.	Cotabato.	Sulu.	Lanao.	Davao.	
Salaries, wages, and allowances:							
Governor's office	₱7,093.09	₱4,652.65	₱1,693.33	₱9,002.30	₱7,248.60	₱3,090.93	₱32,780.90
Secretary's office	7,645.88	3,852.56	3,000.00	2,719.03	750.00	2,399.98	20,367.45
Traveling expenses, postage, and office supplies	3,679.99	760.20	706.45	427.99	266.53	260.00	6,101.16
Presents to natives		360.80		225.00		14.00	599.80
Rents			264.70	210.00	240.00		714.70
Total	18,418.96	9,626.21	5,664.48	12,584.32	8,505.13	5,764.91	60,564.01

The total, ₱60,564.01, while small, covers the cost of officials, clerks, interpreters, messengers, janitors, etc.

The increase in revenues during this, the second year, over the first was 44 per cent, the incomes amounting to ₱520,137.13 (includes \$7,281.86, Mexican and Spanish-Filipino currency, converted at 1.30). As a matter of comparison, the government of Sarawak, Rajah Brooke's country, which is run for the benefit of the natives, in which the material conditions somewhat resemble those of the Moro Province, was begun in 1840, and in 1892 collected revenues amounting to \$426,804, Mexican, which increased to \$1,064,318 in 1901. Sarawak is a narrow strip of country on the northwest coast of Borneo, some 380 miles long, with an area of about 40,000 square miles, and a mixed population of about 500,000, consisting of many tribes speaking different dialects. It has many fine rivers, navigable for a considerable distance inland. The Moro Province has about the same population, similar diversity of tribes, about the same area, but a much larger coast line. Its main ways of communication are by water. In ten years, with good government, its revenues should exceed those of Sarawak, whose principal sources of revenue in 1901 were opium, gambling, liquor, and pawn farms (i. e., monopolies let to the highest bidders).

As the success of the province depends on trade and the development of its natural resources, it has been the constant effort of the government to encourage and assist all of the inhabitants agriculturally or commercially engaged. Forty-seven and four-tenths per cent of the expenditures have been for public works, subsidizing ships, and for purposes of general utility. Trade has developed to a gratifying extent, the value of foreign¹ imports amounting to ₱746,771, an increase of

¹ In this foreign trade is not included trade with or through other ports of the Philippines, of which, unfortunately, there is no record; the latter must amount to over eight-tenths of the exports from and imports into the province. Steps are being taken to keep such a record for future use.

about 7 per cent. Customs revenues increased 18.4 per cent over those of last year. The foreign export trade, of which we have a record from the ports of Zamboanga, Jolo, and Bongao only, increased 21.1 per cent over the preceding year.

By far the most valuable product—hemp—is not included in the above, as almost all the hemp from the province and much copra go to Cebu and Manila, following an old custom. In fact, the many commercial boats from those centers which visit the ports in the province have long since established their regular customers in the various places.

To decrease the cost of imported articles and because freight and passenger tariffs from Manila were so very high, arrangements were made with a line of Hongkong-Australian steamers to have one boat each way stop at Zamboanga each month. The province guarantees a reasonable sum, ₱1,000 each stop, for this service, and paid out for the first three months ₱3,993.13, but enough has been collected in customs brought by the boats to cover this, and the merchants and others have the advantage of cheaper rates; hence, cheaper goods and new and profitable markets.

To assist the merchants and producers in their trade between ports in the province, one 90-ton steamship is subsidized to make four monthly trips from Zamboanga and return. This has operated to reduce the freight and passenger rates one-half to two-thirds. The Constabulary here have found it cheaper for the Government to send its passengers on the *Borneo* than on the Coast Guard vessels since the adoption of a passenger tariff on the latter, the reason being that the tariff on the commercial boat includes meals. This boat has been able for the last two months to more than pay expenses, although due to the coasting laws there were many difficulties to be surmounted.

Two small ships came under the American flag from that of British North Borneo. They were, while under the foreign flag, chartered by the quartermaster and rendered excellent service, and were pronounced the best and most satisfactory boats in the province. It required an expenditure of ₱10,000 to make necessary changes to come under the requirements of the American laws. Their running expenses were almost doubled. In the case of the *Borneo*, her repairs made necessary in the first three months after the change of flag exceeded those of the preceding three years.

One of the objects of the coasting laws is protection. This protecting clause enables the licensed deck officers and engineers to demand salaries often larger than the return they render shipowners. The possession of a certificate does not necessarily make the deck officer or engineer efficient, as the experience of the shipowners has shown. There are many adverse conditions for the shipowners in these Islands, some due to the acts of God, but some that can be corrected by changes in the coasting

laws. Should an investigation of the matter be decided upon, it is recommended that the views of the local shipowners at Iloilo, Cebu, and Zamboanga be represented on the committee or obtained by the investigators. It is believed that every consideration and aid should be shown the owners of small steamers who endeavor to furnish good service.

The quartermaster and the Coast Guard boats are not hampered by the coasting laws. To cite an instance: The *Borneo* could not continue to employ, under said laws, a Malay patron who had proven himself, during many years' service, capable of performing the duties of master. On his discharge from the commercial line he was at once employed by the quartermaster and assigned to command one of his small boats.

Brig. Gen. J. A. Buchanan, commanding the Department of Mindanao during the temporary absence of General Wood, has often enabled the provincial officials to get about for inspections on his dispatch boat, often at his own inconvenience, and has in many other ways assisted the provincial government.

The wisdom of the Organization Act has been demonstrated.

The relations, military and civil, have been most harmonious, as, in fact, the interests of both lie in making a successful and stable local government.

That the Philippine Commission has uniformly shown its interest in the development of the province and has always when practicable by legislation and resolutions facilitated the local needs is much appreciated.

It is hoped that the efforts of the Commission to have Congress remove or change certain laws which now restrict the development of "Las Filipinas" will meet with success; also, that a law to enable a foreigner to become a citizen of the Islands will be secured.

In developing a tropical country it is comparatively easy to overcome any obstacle except a law which limits the action of the local government, ties the hands of its officials, and prevents it accomplishing all that is expected of it.

All settlers in Mindanao are waiting with much interest the establishment of some kind of a land law for the Moro Province. The Philippine Commission now has the matter under consideration and is understood to favor extending the leasing clause to this province at an early date. This will enable settlers to have a good title to their land, which would run for twenty-five years, with the privilege of renewal for another twenty-five years, long before which period shall have expired the land laws will undoubtedly have been adjusted to suit the convenience of all who desire to settle, and afford ample protection for the native.

It is a pleasure to note the good character of the American settlers in Mindanao, and the earnestness which they seem to devote to the development of the resources of the country. The attitude of these settlers toward the local government has built up mutual respect and

confidence. Their wants are frequently anticipated by the government; when made known they receive prompt consideration and action. Many former soldiers who have saved a small capital during their Army life upon discharge have settled and are doing well either as planters or as merchants along special lines, such as druggists, etc. There is much room for men of character and capital, and the advantage to the new settler is that his capital need not be in a lump sum, but in monthly or quarterly installments. Not much land is required, unless a very large capital is invested, for the planting of cocoanuts, rubber, or hemp, all of which are valuable products. Cattle do very well in many parts of the province, and rinderpest, surra, and other diseases, prevalent elsewhere, have never reached Davao and Sulu districts.

Gold, copper, chalk, and coal are said to exist in the Island of Mindanao, and prospectors can now go in almost any part of the country without danger, provided they come first to the provincial and district governors, in order that they may be put under the care of chiefs who will be responsible for their safety. This precaution is necessary, both for the prospector and for the native.

The Island of Basilan offers unusual advantages to American settlers, especially for companies of American employees who contribute small amounts monthly and have a representative on the spot to conduct the planting while waiting for returns from hemp, cocoanuts, and rubber. The Yacanes are anxious to work. The price of labor is very small, at present being only 25 centavos per day. There should be no difficulty in obtaining suitable land, provided always settlers coöperate with district officials and native chiefs. The nearness of Basilan to Zamboanga lessens the cost of supplies to the American settlers. The lumbermen of Basilan are doing well.

There is an opportunity for the establishment of a launch and lighter at Zamboanga to perform the necessary lighterage to the constantly increasing number of commercial boats, and for ferriage purposes to the towns of Taluksangay, Ayala, and Isabela, to say nothing of increased trade that could be worked up with other places in Basilan.

The officials and employees, though few in number, are of a high type and have devoted energy and ability to the economical accomplishment of results. Their constant endeavor has been to benefit the public and to build up a government that will be an aid to all. No charges of dishonesty or corruption, barring a couple who were at once detected and dropped without any pecuniary loss to the government, have occurred since the organization of the province.

The legislative council provided in Act No. 79, above cited, for the employment of five officials as assistants to the governors in order that they may study the natives among whom they are assigned to duty, learn their dialects, observe the tribal customs, become acquainted with the laws of the province, read the history of these Islands and neighboring

colonies, acquire by practice the ability to sit in judgment on native questions to be adjudicated, and generally fit themselves for the higher positions. These places should attract young men of high character and ability, susceptible of becoming fond of the native, and of a desire to devote the best years of their lives to the work of developing the country and the people.

On August 17 Zamboanga was honored by the visit of the Hon. William H. Taft, Secretary of War, and party of distinguished representatives of the United States. Advantage was taken of the occasion to have quite a number of natives of different tribes from four of these districts come to Zamboanga, the largest place that they had ever seen. Much good is expected to result from their attendance.

Thanks are due Rear-Admiral Reiter, United States Navy, and his officers and men of the *Rainbow*, the *Frolic*, and *Elcano*, who were present and assisted so materially in adding to the comfort of our guests and to the success of the entertainment.

The honorable the Secretary of War also visited Jolo and made the trip from Malabang, via Lake Lanao, to Overton.

The action of the honorable the Secretary of the Interior and the Chief of the Bureau of Forestry in simplifying the application of the forestry regulations is much appreciated. Their action has enabled the provincial government to go on with the work of bringing the wild tribes into settlements and in encouraging the natives to get out timber for the use of the Army and for timber merchants.

For the convenience of the timbermen the forestry representatives have been given an office in the district treasurer's office.

In order that delays in receiving licenses from Manila may work no hardship on those engaged in getting out lumber, the Chief of the Bureau of Forestry has verbally authorized the governor of the Moro Province to grant the applicant of good standing permission to cut timber while awaiting the receipt of his license, his application having been forwarded.

Due to drought, several forest fires have occurred. The private saw-mills in the province are doing a good business and there are openings for the establishment of others. There is also an excellent opening for the establishment of one or more plants for the manufacture of "cutch," a dye obtained from the bark of the mangrove. Three such plants in Borneo are doing a fine business, having more orders than they can fill. A fully equipped "cutch" factory requires a capital of some ₱60,000.

Within a month after the organization of the province a library was begun for the use of officials and others interested in the study of conditions in these Islands and in other tropical and oriental countries.

It now contains some 150 books on government and on questions tropical and oriental. It has been a valuable source of information for comparative study, and 50 to 75 per cent of the books are constantly

out, being read with many advantages, direct and indirect, to the province.

A number of the provincial and district officials have visited some of the colonies of foreign powers, and at present, due to the courtesy of General Buchanan, four of the district governors are on a visit to British North Borneo, the Celebes, and the Moluccas.

The three important things in these Islands are: The education of the American, the development of trade and industries, and the preservation of order.

The second and third are axiomatic. The former applies to the merchant, who must study local wants and methods; to the planter, who must learn the conditions of the climate, soil, and labor; to shipowners, who must recognize the requirements of the shippers and travelers; to the resident, who must learn to care for his health and comfort; to the official, who must study the customs, the character, and the needs of the varied population, the methods, failures, and successes of other countries in colonization, and shape the government and administer existing laws to accomplish material results—and to others.

The legislative council, by Act No. 110, provided for the organization of provincial, district, and municipal boards of health. These have been appointed where necessary. The provincial board of health has supervised the conditions throughout the province, leaving the details to be carried out by the local boards. Medicines in considerable quantities have been supplied for indigents. The military hospitals have materially assisted in caring for the sick and wounded, and are reimbursed by the province at a fixed rate. As soon as practicable, the province hopes to construct hospitals at the larger centers of population. Vaccinators sent from Manila and paid by the province have done good work since they were placed under the supervision of detailed men from the Hospital Corps, United States Army. Wherever stationed, Army surgeons have given their assistance, and to the Medical Department of the Army are due the thanks of the province. Their work is much appreciated.

Justice is administered in the province by two Courts of First Instance, by the justice of the peace courts, and by the municipal courts. In addition to these courts, the legislative council is about to enact a law providing for the organization of tribal ward courts, in accordance with the provisions of subsection (c) of section 6 of Act No. 1283, Philippine Commission. These courts will be presided over by the governors and secretaries of the districts as justices and by such auxiliary justices as may be needed, and will have the jurisdiction of courts of justices of the peace in criminal and civil actions in which Moros and other non-Christians are involved, it being deemed unwise to permit native Filipino justices of the peace to exercise jurisdiction in such cases.

Act No. 787, the act organizing the province, contemplated a separate system of courts for Moros and other non-Christians in which their own customary laws should be administered. It was found, however, that the customary laws of the Moros and non-Christians were either nonexistent or so vague and whimsical as to be impracticable of administration in courts of justice. The legislative council reached the conclusion that it would be better to apply, with some modifications to suit local conditions, the general laws of the Philippine Islands to these people through the established Insular courts, substituting only tribal ward courts for courts of justices of the peace, and upon its recommendation the Philippine Commission passed Act No. 1283, which follows the lines indicated.

The government is represented in the courts of the province by the attorney for the Moro Province and an American assistant, who attend the several sessions of the Courts of First Instance to prosecute criminal actions and to represent the province and the municipalities in civil matters.

The Filipino inhabitants of the province, as compared with those of other provinces, are remarkably peaceful and law abiding. They commit few crimes, and those committed are ordinarily not of a serious nature. During the two years that have passed since the organization of the province there has not been among them a case of "bandolerismo," so prevalent in other parts of the Islands. As the government gets into closer touch with the Moros and other non-Christians, an increasing number of the crimes committed by them are brought before the courts. Undoubtedly as yet many of the less serious offenses committed by them are not brought to the attention of the authorities. From the information at hand, however, it would seem that the Moros and non-Christians, while more disposed than the Filipinos to commit violent crimes like murder, homicide, and robbery, compare very favorably with them with respect to the commission of other offenses.

There have been prosecuted in the Courts of First Instance of the province during the year ending September 1, 1905, only 102 criminal cases, as compared with 198 for the preceding year. Of these, 36 originated in the district of Zamboanga, 35 in the district of Sulu, 21 in the district of Lanao, 11 in the district of Davao, 7 in the district of Cotabato, and 2 in the subdistrict of Dapitan.

The administration of justice by the justices of the peace of the province has not proved altogether satisfactory. A number of American justices of the peace have been appointed from time to time in places where it has been impracticable to find a native qualified for the position, but these appointees have usually remained in office during so short a period that they have been unable to acquire much efficiency in the discharge of their duties. Education in Spanish times was not so generally extended through the Island of Mindanao as it was in the northern

islands, and it frequently happens that only a few natives can be found in a municipality who know how to read and write the Spanish language. When one of these is appointed he shortly finds that he can employ his time more advantageously in other enterprises, the remuneration of the office being miserably inadequate, and resigns. These continual changes result in keeping inexperienced men in office. It would seem necessary to make the office attractive enough to induce the best natives to accept the position and retain it indefinitely. Perhaps abolition of the fee system and the payment of salaries in certain cases might be a step in the right direction. The salaries need not be uniform.

The attorney for the Moro Province has been appointed examiner of titles in addition to his other duties.

A register of deeds has lately been appointed.

The Constabulary, under the command of Col. J. G. Harbord, have rendered very valuable services and have recognized the desire of the government to keep order rather than have them go on record for expeditions.

It has been the policy of the provincial government to make as much use of the Constabulary as practicable and to have them perform all of the police work outside of the better-organized towns.

The Constabulary in this province have, as a rule, shown a fine "esprit de corps," the officers being picked men. All of the district governors speak highly of and make frequent calls upon them, not only for the duties for which they were organized but for many and various others.

The Calarian prison (provincial jail) is managed and guarded by them under the supervision of the provincial governor. Captain Poggi, in addition to his other duties, acts as warden, and Lieutenant Youngblood as assistant warden.

Lieutenant Gallagher is the representative of the district governor at Dapitan, where he is doing good work among the wild Subanos, and the Constabulary there perform the police duties in the various towns.

At Tuouran, Isabela, Siasi, and Bongao Constabulary officers are the representatives of the district governors, who have expressed their appreciation of the valuable work performed.

Captain Griffith, the senior inspector of the district of Lanao, is also the district secretary, where his work is appreciated. He has acquired the Lanao dialect, which increases greatly his prestige and usefulness.

At times the uses of the Constabulary are limited by the number of officers. Special work where discretion and judgment are required can not always be left to the native members. A few mishaps have shown the wisdom of waiting for their further development before sending them to make investigations or arrests where it is the desire to avoid fighting and where a slight indiscretion might bring it on.

The Constabulary have also been represented on several expeditions with regular troops, where they have creditably acquitted themselves.

By request from this office the Constabulary officers made an inspection of the municipal police during the months of July and August.

TREASURY.

This department has been efficiently and economically conducted by the treasurer of the Moro Province, Mr. F. A. Thompson.

It has collected all taxes, save customs, handled and cared for all moneys, supervised the municipal finances, and paid all salaries and wages and bills for property or improvements made; all of this at less than a cost of 4 per cent, viz, at 3.6 per cent.

Mr. Thompson has made his report to the Treasurer of the Philippine Islands, as well as to this office. Extracts are quoted:

With the exception of two additional employees—one auditing clerk, class 8, and one clerk, class 9—the organization of the treasury is practically the same as at the time of the last annual report.

One tax and license inspector, class 8, became effective July 1, 1905, who will be devoted exclusively to field work in the various districts, under the supervision of the treasurer of the Moro Province.

The recommendation of the treasurer, approved by the legislative council, that section 149 of the Internal Revenue Law be amended so that the gross proceeds of the poll or cedula personal tax collected in the province shall inure to the treasury of the Moro Province, to be expended in the discretion of the legislative council, for provincial, district, and municipal purposes, and that it be made retroactive to date from January 1, 1905, was favorably acted upon by the Philippine Commission.

Thus the gross amount of provincial and internal-revenue taxes due the province are, as heretofore, deposited with the treasurer, Moro Province, to be expended by the legislative council for provincial, district, and municipal purposes. * * *

No additional taxes except municipal liquor license were provided for by the legislative council during the fiscal year 1905. On the contrary, a reduction was made by that body affecting the "pearl-fisheries industry" and "boats of Moro or pagan construction." Foreign entrance and clearance fees covering these same boats were reduced from ₱4, Philippine currency, to 50 centavos.

The legislative council appropriated for municipal purposes during the year ₱81,884.13, including the construction of schoolhouses, wharves, repairs to streets, etc.

A very gratifying improvement is shown in the financial affairs of the province during the last fiscal year as compared with the fiscal year 1904.

Increase in revenues of the provincial and customs departments are marked, and a similar showing made in imports and exports that passed through the two ports of entry, viz, Jolo and Zamboanga.

The legislative council has kept pace with the increase of revenues by appropriating for public highways. The work of extending, grading, metaling, and draining the public highways was carried on without cessation, and this work increased whenever conditions of finance would justify. Thus the revenues have been put into immediate circulation, benefiting the taxpayers directly and leaving permanent results.

Revenue collections, excepting customs.

Item.	District.					Total.
	Zamboanga.	Cotabato.	Sulu.	Lanao.	Davao.	
Balance on hand July 1, 1904 (municipal funds)		₱14,189.05	₱450.22	₱1,419.57	₱2,439.67	₱18,498.51
Provincial:						
Land	₱15,090.23	3,240.77	4,222.43	4,167.27	5,600.75	32,321.45
Cedulas (Moro, non-Christian)	5,375.00	4,209.00	8,682.00	3,443.00	6,758.72	28,467.72
Cedulas, Act No. 1189, Philippine Commission	5,342.00	752.00	1,077.00	2,699.00	3,484.00	13,354.00
Registration of property	379.75	39.00	3.00	79.00	152.00	379.75
Firearms permits	100.00	182.00	168.00	678.00	373.00	1,098.85
Provincial fines	75.85	2,708.37	6,535.12	3,947.70	3,706.16	24,662.35
Industrial	7,770.00	298.15	114.90	103.05	477.95	1,367.90
Stamps (old series)	373.85	3,726.92	-----	-----	-----	3,976.92
Shell-fishing license	250.00	-----	-----	-----	-----	122.80
Miscellaneous	122.80	-----	-----	-----	-----	821.88
More exchange	821.88	-----	-----	-----	18.62	18.62
Refunds	-----	-----	-----	-----	-----	-----
Total	35,701.36	11,424.29	24,361.37	14,602.02	20,876.20	106,965.24
Municipal:						
Ownership and transfer of cattle	690.00	981.00	280.00	751.00	3,768.16	6,470.16
Rents and profits	5,113.57	537.50	1,202.09	3,034.79	2,120.99	12,008.94
Licenses	17,116.36	11,861.05	18,143.16	6,352.25	2,604.15	51,076.97
Fines	2,087.86	4,511.13	1,287.00	4,456.99	1,923.95	14,216.93
Carts	172.50	-----	249.00	3.00	236.17	660.67
Internal revenue, Act No. 1189, Philippine Commission	415.83	192.50	135.00	212.50	105.00	1,060.83
Sales to municipalities	1,474.99	-----	222.24	-----	168.37	1,865.60
Deposits of trust funds	60.00	4,048.00	4,272.18	-----	-----	8,380.18
Latrine	-----	-----	1,654.83	-----	-----	1,654.83
Fisheries	-----	-----	-----	53.04	20.13	73.17
Refund of overpayment	-----	-----	-----	73.50	-----	73.50
Total	27,131.11	22,131.18	22,395.50	14,937.07	10,946.92	97,541.78
Internal revenue:						
Internal-revenue stamps	4,670.98	1,681.60	4,892.73	1,441.30	1,723.74	14,410.35
Documentary stamps	406.96	14.22	151.20	20.82	83.26	676.46
Distilled spirits	356.70	-----	-----	-----	-----	356.70
Forestry	7,537.73	1,964.32	552.05	1,370.08	3,338.81	14,762.99
Liquidation, temporary system	-----	-----	2,041.60	-----	-----	2,041.60
Exchange of currency	-----	-----	-----	-----	1,450.80	1,450.80
Total	12,972.37	3,660.14	7,637.58	2,832.20	6,596.61	33,698.90
Grand total	75,804.84	51,404.66	54,844.67	33,790.86	40,859.40	256,704.43

₱6,741.26, Mexican, has been converted into Philippine currency at the rate of \$1.30, Mexican, for ₪1, Philippine currency.

Percentage of increase in revenues, imports, and exports are as follows; also statement of comparison of customs revenues for the months of July and August, 1905, as compared to same months, 1904:

Increase of—	Per cent.
Provincial revenues	44
Customs revenues	18
Imports	7
Exports	21

Customs revenues.

1904.	Amount.	1905.	Amount.
July	₱7,388.35	July	₱27,368.14
August	31,389.56	August	26,560.46

Per cent of increase for two months, 39.

Comparative statement of customs revenues, fiscal years 1904 and 1905.

Port of—	Fiscal year 1904.		Fiscal year 1905.		Per cent of increase.
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	
Jolo	₱140,864.05	\$1,467.33	₱150,093.02	\$540.66	0.059
Zamboanga	76,836.73	306.46	109,584.01	—	.422
Bongao	1,940.27	606.57	3,088.71	—	—
Cotabato	858.12	—	49.30	—	(1)
Siasi	57.60	1.15	11.20	—	(1)
Total	220,556.77	2,381.51	262,826.24	540.66	.1841

¹ Abandoned September, 1904.*Comparative statement of value of imports and exports in the Moro Province, fiscal years 1904 and 1905.*

Port of—	Imports.		Exports.	
	1904.	1905.	1904.	1905.
Zamboanga	₱152,372	₱190,201	₱77,543	₱96,933
Jolo	539,020	547,666	240,196	276,730
Bongao	4,860	8,904	222	11,490
Total	696,252	746,771	317,961	385,153

Increase: Imports, 6 $\frac{1}{4}$ per cent; exports, 17 $\frac{1}{4}$ per cent.*Public buildings and grounds now in the possession of the Government.*

Value of buildings reported June 30, 1904	₱49,500.00
Constructed during fiscal year 1905:	
Provincial jail	₱30,080.60
Storage shed	270.01
Schoolhouse, Zamboanga	2,220.00
Moro exchange, Zamboanga	4,912.95
Completion school, Davao	1,421.58
Schoolhouse, Iligan	3,001.99
	41,907.13
Total	91,407.13

Under construction at Zamboanga, provincial building, on which the sum of ₱13,052.63 has been expended; school building at Mati, on which the sum of ₱81.60 has been expended.

Statement showing the number of parcels of land assessed in the Moro Province, by districts, value of land and improvements, and the amount of tax on same.

District.	Number of parcels of land.	Value.	Tax.
Zamboanga	6,898	₱2,141,244.00	₱18,738.04
Sulu	290	270,149.00	2,844.06
Cotabato	482	252,996.00	2,143.25
Lanao	4,787	916,738.45	5,612.07
Davao ¹	—	—	—
Total	12,457	3,581,127.45	28,837.42

¹ Statistics from district of Davao not received when this report was closed.

There seems to be much useless paper work required by existing regulations. The matter is receiving careful study here in order that recommendations may be made to reduce the same. The engineer of the Moro Province might well be authorized to make local purchases without the written approval of the provincial governor in each case, and thus reduce the number of vouchers by three, and the number of certificates by nine for each purchase.

The requirement by the Insular Treasurer of the submission of ten-day reports on cedula taxes, documentary stamps, and internal revenue serves here no useful purpose and causes useless work. In lieu thereof a monthly report would answer the requirements.

The treasurer recommends the modification of Act No. 1147, Philippine Commission, "registration and branding of large cattle," in its application to the Moro Province.

The purpose of this act was to stamp out cattle ladrism. The Moro Province is not troubled with cattle thieves, though we have large numbers of beef cattle and many carabaos. There seems no reason why a law which has for its primary object the overthrow or regulating of an evil should be applied to the Moro Province, where the evil does not exist.

This view is concurred in and will be made the matter of a special request.

CUSTOMS.

Customs revenues collected and cost of collection.

Port.	Revenues collected.		Increase.	Cost of collection, 1905.
	1904.	1905.		
Jolo	₱141,992.76	₱150,509.68	6	₱20,636.19
Zamboanga	77,072.46	109,584.01	42	17,171.55
Bongao ¹	2,406.86	8,088.71		4,172.53
Cotabato ²	858.12	49.30		476.00
Siasi ²	58.48	11.20		450.79
Revenue launches				11,987.56
Total	222,388.68	263,242.90		54,894.62

¹ Established at request of provincial government.

² Abandoned at request of provincial government.

The cost of collection was 20.85 per cent, as against 23.8 per cent, a decrease of 2.95 per cent.

General Wood mentioned the high cost of collecting customs in his last annual report.

While Jolo collected the larger amount of customs, Zamboanga shows the much greater increase. Capt. George Bennett, collector of Zamboanga, has reduced the cost of collection to 15.67 per cent, and has taken the greatest interest, increasing receipts, and in facilitating business.

At Jolo the cost of collection was ₱20,636.19, or 13.7 per cent, to which must, however, be added the cost of one of the launches which is assigned that port. At Bongao a like cost for the other launch should be added.

The province has no control over the customs, but receives the revenues collected at its ports, less the cost of collection.

To retain launches at Jolo and Bongao is advisable only when adequate returns are obtained by their use for the mutual benefit of the customs department, the provincial and district governments, and the Moro inhabitants, who would derive advantages from frequent visits of the government representatives to study the needs of the Moros and to endeavor to alleviate the difficulties under which they live and to give them some return for the taxes collected from them.

This matter was lately explained to the Insular Collector of Customs and he has given instructions for the launches to be so used.

The launch at Jolo was useful for about two months in hauling stone for the repair of the pier at that port.

The Insular Government has a Coast Guard cutter, the *Tablas*, in the Sulu Sea to prevent smuggling. Captain Miller, of the *Tablas*, is specially mentioned by Colonel Scott, the district governor, for having used good judgment.

Collectors have been placed at Bongao and Cagayan de Jolo at the request of the provincial and district governments for the accommodation of the Moros and to make returns for the taxes collected from them. The cost to the province, less the collections at these ports, is greater than the taxes collected from the Moros benefited, but evinces the desire of local government to aid and protect the Moro.

Indiscretion on the part of any official in carrying out the requirements of the severe customs laws only causes ill feeling and unrest on the part of the Moros and endless trouble and annoyance for the district officials and requires patient, hard work and tact to quiet the Moro and endeavor to make him feel that we are really working for his welfare. The Insular Collector of Customs has instructed his representatives to confer with the provincial governor and to aid in carrying out the policy desired. His action is much appreciated.

The collector of customs at Jolo, Mr. R. M. Corwine, has taken the greatest interest in increasing the collections and in developing the business interests of that port.

An Insular customs building was built.

A tram line costing ₱1,100 was arranged to run from the wharf to the custom-house, and has brought in receipts of over ₱2,500, besides being of great convenience to the merchants.

PUBLIC WORKS.

In addition to public works, the engineer department has also had the charge and care of furnishing all supplies for all branches of the government, including schools, which entail a great deal of work. There is but one property return for all provincial property, that by the engineer, who issues on memorandum receipt property used. The satisfaction rendered

to all and the small cost of administration, namely, 4.4 per cent of the total expenditures for public works, is testimony to the efficient manner in which the department has been conducted.

During the year a provincial jail, called "the Calarian prison," was constructed of concrete, with iron roof and gratings.

Plans for a provincial building have been prepared and foundations constructed, appropriations made, and the further progress of the work is only awaiting the arrival of materials. The building is to be a combination of the Spanish renaissance with the local style of architecture, and will contain the offices of all the provincial and district officials and include a court room for the judge of the Court of First Instance and offices for all other Insular officials.

The wharves in the province have been and will be a constant source of expense until they are replaced with cement pilings and steel and cement superstructure. The wharves at Zamboanga and Jolo have been reconstructed, due to the action of the "teredo" upon piles supposed to be proof against their attacks. It is now thought that molave piles have been secured which will resist these attacks; but there is a difference in the molave, not only in species but in gender. If any female piles find place in the pier, they will yield to the teredo and soon have to be removed.

The Zamboanga wharf has been repaired and will, in the near future, be extended. Concrete gutters and curbs were placed in the town.

About Zamboanga more than 10 miles of road have been regraded or newly constructed and metaled. The work is still being pushed. Benefits accruing from these new roads have already been shown. Immediately upon opening up the San Roque road many new carts were bought by the natives to bring out their valuable produce of copra, etc. The engineer's department is now following the policy of purchasing carts for road work and employing natives who furnish their own bulls to deliver road material. Enough money is retained from their pay to enable the natives to soon purchase the carts, thus directly benefiting them and the community.

By arrangement with the chief quartermaster of the department a uniform wage has been established on all government work, both civil and military. Ordinary labor is paid 75 centavos per day of nine hours. Native carpenters are paid ₱1.50, and Japanese carpenters ₱2 per day. This is a reduction from the prices formerly paid, and, should trade conditions improve and the policy of subsidizing vessels continue, it may be possible to further lower the daily wage of the laborer, to conform to what can be afforded by the planters, which, except in Davao, is not to exceed 50 centavos.

The foremen on road work in charge of ordinary laborers report the Moros the best of the natives, hard working and faithful, if handled with tact and consideration. Nearly all of the "camineros" are Moros. As few American foremen as possible are employed at from \$80 to \$100 per

month. These were mostly soldiers and have been in the service long enough to be pronounced thoroughly good ones. The two provincial engineers have emphasized the fact that the large amount of military and civil public works in the province has been the best sort of an industrial school. There is no trouble to obtain either skilled or ordinary labor for any kind of work in the district of Zamboanga, but in all other districts skilled labor is scarce and lacking, and most of the foremen in charge of outlying works have to be supplied with carpenters, etc., from Zamboanga. No contractors with sufficient capital are available for more important works, but within a few years it is hoped that this condition will be bettered.

About Zamboanga with much success has been established within the past few months the maintenance system, modeled after the European system, well tried in Cuba and Porto Rico—that is, a “caminero” to each kilometer, who is furnished with a wheelbarrow, scythe, shovel, and hoe, lives on his own kilometer, and keeps the ditches and culverts clean and repairs and maintains the road in general. The most satisfactory of the foremen employed by the provincial engineer are put in general charge of the maintenance, furnished with a bicycle, and, with his constant supervision, the system has already justified itself. Concrete kilometer posts were placed on all improved roads.

A schoolhouse has been built at Manicahan, and minor repairs made to the many schools throughout the district.

The work of the Iligan-Lake Lanao road has been carried on, in spite of the many difficulties, as rapidly as practicable. An appropriation of ₱300,000 by the Philippine Commission, from the Congressional relief fund, has been set aside almost entirely for this road. It should be understood that the road was first made by troops, and comparatively small amounts of money only have been expended at any one time, and they have been used as temporary measures for the purpose of opening up the road and making it passable for the heavy traffic which goes over it. The ₱300,000 recently allotted to the work will by no means pay for the construction of a good or satisfactory roadbed, hence the total expense will be very great. Approximately the 20 miles of road required would cost at least ₱25,000 per mile should a Telford roadbed be made. It is beyond the finances of the province to make so large an appropriation, as an allotment of ₱250,000 more would be needed within the next six months. Should the Philippine Commission see fit to appropriate that amount of money, the province could well afford to expend the necessary ₱30,000 per year to keep the road in condition, for any road in that locality, should it not receive constant attention, would be so damaged by heavy rains that in a short while the money expended upon it would be almost a total loss.

Since its beginning seven officers of the United States Corps of Engineers have been on duty with the road. For the past two months

Lieutenant Poillon, of the Fourteenth Cavalry, has been in charge of the work. In a few weeks, on the departure of Lieutenant Poillon with his regiment, the entire road will be placed under the control of Capt. J. P. Jersey, Corps of Engineers.

Road machinery has been bought for metaling the road. Five hundred convicts from Bilibid Prison were sent down, but the first batches arrived without previous notification and much time and some money was expended in constructing the proper shelter for them. Beri-beri broke out among them, which necessitated the return of a large number to Manila. A few died, but the percentage was less than the death rate in other places. This sickness demanded larger expenditures for their subsistence in order to counteract the evil influences of the disease. The latter, it is thought, has been eradicated.

Some 6 miles have been now metaled. The suspension bridge over the Agus River has been reconstructed. The "caminero" system—that is, the assignment of a workman to each kilometer—to make immediate repairs to the roadbed, the most economical system known to obtain good results, has lately been established. Cement-pipe culverts have been put in, and some 9 miles, in addition to the metaled portions, have been made fairly passable.

By direction of the department commander, quartermaster's transportation has been furnished in as large quantities as available, and the enlisted men of the engineer companies have, in a large measure, furnished foremen for construction, blasting, etc. For three years this road has sustained a very heavy and constant use from military trains, which, after the heavy rains on the dirt portions, have kept it constantly cut up. As a temporary measure, several miles of corduroy were put in.

Efforts were made to obtain bids from Manila firms to replace the suspension bridge over the Agus River at Pantar with a steel truss bridge, but their tentative proposals seemed so excessive in time and money that it has been necessary to remove the wooden structure and prepare a project to replace that with iron or steel parts.

It is thought that the Army will construct a railroad from Overton to Lake Lanao; if not, a line built by private enterprise would pay. The lake region furnishes a splendid resort with a cool climate where there are now some 40,000 people, a number apt to increase, and a large garrison will undoubtedly occupy it as a hill station. Even should a railroad or electric road be built it will still be necessary to keep up the wagon road at a comparatively less expense. The military roads to Lake Lanao have resulted in the lake Moros bringing much produce to Iligan and Malabang.

In Jolo the Asturias and Tullai bridges were constructed and pier head repaired. This pier head suffered severely in the storm of July last. Proposals will be accepted for the extension of the wharf at Jolo.

Schoolhouses were constructed at Mati, Davao, Baganga, and Iligan, and a road built from Davao to the landing. The Santa Cruz telephone

line was constructed under the immediate charge of the district governor. The Matina bridge at Davao was constructed.

In the district of Cotabato no roads are needed, as the highways are the waterways. The engineer's department has, however, prepared plans which are being carried out at municipal expense and are nearly completed, for a tidal sewer in Cotabato, by means of dams, tide gates, etc.

The provincial engineer or his two assistant engineers have inspected all public works in Zamboanga, Davao, Cotabato, and Jolo; have been over the Lake Lanao road five times during the last quarter, and have rendered important technical assistance both to districts and municipalities. During the absence of Captain Keller, for the sake of convenience and economy, the offices of the secretary and engineer were temporarily combined. This arrangement has been continued, and the concentration of the record and correspondence work attached thereto has much simplified business and tended toward greater economy.

The thanks of the province are due to the United States Army engineers and to the quartermaster's department for the valuable assistance that they have rendered by authority of the department commander.

The Moros throughout the province have shown a great desire to work, and when once started on contract work the difficulty of the foremen has been to stop them in order to keep within appropriations. In three cases it has been impracticable to stop them in time, and they have cut more wood for the quartermaster, put in more poles for corduroy on the Lanao road, and brought more coral rock to Zamboanga from adjacent islands than has been called for. The reports of the provincial engineers will be forwarded by them to the engineer of the Insular Government.

Expenditures for public works and supplies.

Administration: Salaries, wages, and allowances, engineer's office....	₱11,819.99
Provincial jail	30,080.60
Provincial building	13,052.63
Moro exchange.....	4,912.95
Storage shed	270.01
Construction and repairs to buildings.....	13,992.11
Wharves and docks.....	11,692.96
Roads and bridges, including road machinery.....	132,185.18
Beacons, Rio Grande.....	150.00
Fence about relief map made by Rizal at Dapitan.....	400.00
Telephone line	237.25
Transportation of freight.....	7,128.03
Supplies	41,360.95
 Total	 267,282.66

The system of keeping a record of supplies has been changed. All supplies are now bought from one fund and when issued are charged at once to the particular appropriation, office, or work to which they properly belong. The cost of office supplies has been large, since all

offices are newly organized; but as good furniture, etc., has been bought, it will not have to be renewed for years. This change in the system of keeping a record of supplies will hereafter enable a more intelligent annual statement to be made.

SCHOOL DEPARTMENT.

The school work during the year has been satisfactorily conducted by the superintendent of schools, Dr. N. M. Saleeby. The following is taken largely from his report. There are encouraging signs of progress, the general evidences of which are a uniform and well-adapted course of instruction, the establishment of several additional primary schools, one secondary and one trade school, a marked increase in enrollment, more efficiency in the teaching force, and the construction of several new buildings. The schools have entered upon the new year well housed and fully equipped.

A trades school at Zamboanga and a primary school at Dipolog were established in July. New schools were established last year at Cateel, Baganga, Caraga, Maymbung, Dapitan, and Tuburan.

The Christian population has given the public schools preference over the parochial schools. The Moro population has taken a strong interest in education, and pupils of both sexes attend school regularly and take considerable pride and interest in their studies.

Good results were accomplished at Jolo in spite of very unfavorable conditions. The attendance in Siasi and Bongao improved markedly. The Constabulary officers there supported and aided the schools. The school at Maymbung, the residential town of the Sultan of Sulu, was broken up, due to hostilities by the Moros. The Sultan had provided a house for the residence of the teacher but did not furnish other assistance.

At Iligan the schools were well attended and successfully conducted. The municipality paid for the school lot on which a new building was erected.

At Malabang a new and commodious schoolhouse was built, under the supervision of Colonel Reade and Lieutenant Fuqua, Twenty-third Infantry. Continued interest has been manifested in the school by the commanding officer of the Nineteenth Infantry at that station. The vicinity of Tuburan to Camp Vicars and the remarkable attitude of Datu Amay-Tampugaw, renders that place a favorable locality for a small school, which is being established.

At Cotabato the schools are doing well and have about thirty Moro pupils.

In the district of Davao moderate success only was accomplished at Caraga and Cateel, but the progress at Baganga was exemplary. The school there is coeducational and had the largest enrollment of any single school in the province. The percentage of the children in school was

also higher than in almost all other localities. This was due in a large measure to the influence of the municipal president and the zeal he manifested in the cause of education in his town.

The native teachers of the province are 64—6 Moros and 58 Filipinos. Two of the Moro teachers have no knowledge of English at all, but the other four have received all of their education and training as teachers in our schools. Of the Filipino teachers, 17 received all their education and training as teachers in our schools, the remaining 32 had some elementary education in the parochial schools, and 9 were formerly teachers in Spanish schools. Fourteen were in the service of the Bureau of Education, while 50 were appointed after the organization of the Moro Province. A normal institute for native teachers was held in Zamboanga, for the teachers of the district, during January and February, and another at Davao, for the teachers of that district, was held in April. To aid the native teachers, all American teachers serving outside of the town of Zamboanga have been directed to give their native assistants daily and regular instruction in all branches they are expected to teach. By this means, as well as by normal school and Saturday teachers' classes, the efficiency of the native teachers is gradually raised.

There are 27 American teachers in the province, whose work has been very valuable. In remote places they exert a good influence over the natives and assist the government in many ways. The superintendent of schools is much pleased with their work as teachers, and their assistance to the government outside of their routine duties as teachers is appreciated. They frequently have to live where there is no other white person and where it is difficult to procure the proper food supplies and necessary medical attendance. They have largely overcome local prejudices and are succeeding.

The Moro boys, who at first seem unruly and out of place, repay by their quick learning the time devoted to them. The whole atmosphere of the public school is new and strange to them, but they soon get accustomed to their new surroundings and have much natural aptitude and a great deal of determination.

The publication by the province of two Moro readers prepared by Dr. Saleeby, one in Sulu and one in Maguindanao, has been of much interest.

There is a provincial secondary school which is doing very well, and a trade school is being established.

Attention is invited to the following figures of the school department:

Cost of education.

Salaries, native teachers	₱26,036
Salaries, American teachers.....	54,844
Janitors	552
Supplies	21,000
Repairs to school buildings.....	5,700
Rents	3,800
Transportation	1,600
Night schools	1,728
Contingent expenses	742
 Total	 116,002
Administration, office superintendent of schools.....	12,302
 Total cost of school department.....	 128,304

The administration of the school department cost about 10 per cent of the appropriation for schools, the total cost of education being 24 per cent of the provincial expenditures for the year. This is a large proportion to devote to schools. In the future the cost per pupil may be less, since the present establishment is prepared to take many more pupils; and American teachers, although valuable in various ways, will be largely replaced by Filipinos.

The enrollment was 3,617 as against 2,114 last year, an increase of 71 per cent.

The attendance averaged 3,100 as against 1,582 for the preceding year.

DISTRICT OF ZAMBOANGA.

This district has been handled very earnestly and successfully by District Governor John P. Finley, captain, Twenty-seventh Infantry, judge-advocate of the Department of Mindanao. Zamboanga, being the capital of the province, has received a greater share of the benefits of the appropriations for permanent improvements than the other and more remote districts, but the great increase in its trade and in the collection of revenues over the preceding year have fully justified the large expenditures made for the district. The following has been taken in large part from the report of District Governor Finley:

The two municipalities, Zamboanga and Dapitan, have undergone several changes, especially in the subdivision of the municipalities into districts, that of Zamboanga having been reduced from eighteen to twelve. Many changes have taken place in the municipal officials in an endeavor to get good ones. The old municipal treasurer was replaced by a younger one whose office was removed to that of the district treasurer for convenience in the work of administration. Maj. George M. Barbour was appointed chief of police and sanitary inspector, and but lately resigned. The benefits of his enthusiasm were soon shown in the clean appearance of the town. There has been a new municipal jail built, and the municipality has been relieved of the care of provincial prisoners by the construction of Calarian prison, where all prisoners of the Moro Province are now confined. The improvements in the municipality are new roads, bridges and culverts, cement curbs, pavements and gutters in the principal business streets, and a municipal ordinance requiring the placing of gutters on roofs overhanging the streets, for the comfort and protection of pedestrians in their walks. Public plazas have been improved; Chinese bullocks and native bulls from Basilan have satisfactorily replaced the carabao in municipal carts; an ordinance requires the use of distilled water in hotels, restaurants, and bars; work was begun on a slaughterhouse. Captain Finley recommends a public hospital, which recommendation is considered wise by the legislative council, which desires to establish public hospitals at all the larger settlements in the province as

soon as funds for that purpose can be appropriated, probably within the next two years.

A district board of health has been established, as also a municipal board of health. Four expert Filipino vaccinators from Manila have been placed in the field, military surgeons acting as medical and sanitary inspectors for the municipalities. Zamboanga and its immediate barrios have been carefully inspected and vaccinated. Cases of smallpox have been reported from the municipality of Dapitan. The Subanos in the region of Sindangan Bay established an effective quarantine against the spread of smallpox, and isolated sporadic cases.

Captain Finley also recommends that a public bath and laundry be constructed.

In Dapitan the personal visits of the district governor have brought that town from a very bad condition to one of comparative neatness. All of the police force were discharged and their duties were turned over to a detachment of Constabulary. Large districts pertaining to the municipality were absorbed in tribal wards and new arrangements for barrios made.

Schools have been established under two American teachers at Dapitan and Dipolog. A Constabulary officer, Lieutenant Gallagher, acts as a deputy of the district governor. With these three Americans working with the district governor better results have been obtained, and much is hoped for the future. Lieutenant Hendrix, of the Constabulary, lost his life while carrying out the instructions of the district governor, unfortunately terminating a most promising career in the service of his country. He was peculiarly well fitted for the task assigned him and was most faithful in the discharge of duty. Lieutenant Gallagher, of the Philippines Constabulary, now acting for the district governor in addition to his other duties, is performing very excellent work.

The work of organizing the tribal wards under Act No. 39 of the legislative council has been slow, owing to the indifference and even opposition of those selected as headmen and deputy headmen, but has met with comparative success.

The organization of the first ward, containing the Island of Basilan and adjacent islands, was delayed owing to the sudden death of the first headman, the famous Datto Pedro Cuevas, who was succeeded by his nephew in the control of about 25,000 wild natives, who were held in subjection by the most rigid enforcement of customary laws by the old datto.

Datto Pedro had obtained his renown and masterful control as a result of about thirty years of internecine warfare, rising to the chieftainship by sheer ability, superior leadership, and great endurance—all in spite of foreign birth and the enmity of the Spanish Government. He was a Tagalog, had political aspirations, and was deported to Mindanao. He escaped from his guard at San Ramon Farm to Basilan, where he soon

became important and a leader. His place became a haven of refuge to all convicts and evildoers, who, on arrival, were taken before Pedro, and, if they wished to settle, rebegun life with a clean slate. If a newcomer behaved he was encouraged and permitted to acquire property, fame, and comfort. If he misbehaved, he lost his head at Pedro's order. All report him as being an excellent ruler. Pedro was recognized as a datto by the Spaniards on account of his resisting an attack of the Joloanos from the Sulu Archipelago. An account of his life would make a most interesting volume.

The present datto, though somewhat of a dreamer, is earnest and has the prestige of having been selected and designated by the old Datto Pedro, to whom the natives ascribed almost supernatural powers.

Datto Mandi's ward has been peaceful throughout the year and much progress made, no serious complaints of any nature involving the Moro in abuse of either the Filipino or the Subano, a marked contrast of the conditions prevailing as late as a year ago. The Moros and Subanos are in daily friendly intercourse in the transaction of business at the Moro exchange. Eighteen months ago the Subanos were afraid to enter Zamboanga for any purpose. The Samal Moros have sought employment and many of them are engaged, with satisfactory results, by both military and civil departments. The successful foremen who consider the natives and study them are unanimous in pronouncing the Moro a satisfactory laborer and better than the Filipino. The natives are becoming more amenable to the laws and seem to appreciate more than ever before the rights of other people, the great advantages of peace, good habits, and industry.

The third ward, under the Sultan of Maguindanao, was very difficult to organize. The principal opposition came from the late Datto Mustafa, a brother of the Princesa, the present head of the royal family of the Cotabato Moros, at Margosa Tubig, who refused to the last to accept the position of deputy headman or to have anything to do with the government. Datto Dacula and other chiefs who blindly followed his lead gave as an excuse for their objection to taking the oath of office and assuming the duties thereof, that it was contrary to their customs. The sultan, having little force of character, made no effort to stem the tide of opposition. They were finally persuaded and accepted the positions, and took the oath in March of the present year. The Subano chiefs had conformed long before.

The death of Mustafa was the signal for a change of heart in the whole tribal ward. All opposition ceased, cedulas were taken out as quickly as they could be supplied, and the people applied themselves to clearing and building houses. A branch of the Moro exchange has been established at Margosa Tubig for both Moros and Subanos. The Moros were persuaded to move from many rancherias around Dumanquilas Bay, where they had enforced for years a burdensome tribute from the Subanos, and

to settle on Igat Island. The Subanos are being brought down to settle on the shore and occupy the towns vacated by the Moros, thus being given their first opportunity to live unmolested and to enjoy the freedom of trade and travel.

The Subano has been under the cruel bondage of the Moros for many years and he is naturally very suspicious of any movement looking to his immediate relief from such servitude. The Moro tells him that the Americans are "birds of passage" and on their departure the Subanos will suffer.

A company of Philippine Scouts, on duty at Margosa Tubig, have been of the greatest assistance in the interests of peace and prosperity of the people. The Constabulary at Tucuran have rendered useful service in maintaining peace and promoting the industry of the people throughout the region of the Illana and Malubug bays.

A Moro school has been started at Margosa Tubig, the building being constructed by Moro labor. An official residence is being built for the Sultan there, and a council house provided as a meeting place for the Moros and Subanos, under military protection. There is also being constructed an office and residence for the district treasurer.

The Subano tribal ward back of Dapitan was organized by the district governor, who assembled the chiefs and directed them to establish settlements. The people have promised to come in and form settlements, cultivate the ground, and secure the advantage of a community of interests under government supervision and protection.

The Moro exchange, a market especially for the wild tribes, was inaugurated September 2, 1904, and has been very successful from the start. Natives from all parts of the district have taken advantage of it, and have even come from Jolo, Siasi, and Bongao with dried fish and other articles.

Since January 1 a tax of 1 per cent on all daily sales over ₱1 has been charged, and the revenue from this source has been more than sufficient to meet current expenses.

A lodging house has been built for the visiting natives, who before had no place to go. A general store has been established under control, where visiting Moros, Subanos, and others may buy for reasonable prices. Cash trades are encouraged, selling on credit is not. It required the utmost patience and many explanations to introduce cash sales, for both the Moros and Subanos have so long been accustomed to the vicious credit system of long-deferred payments with Chinese and European merchants. "The old form of credit still exists in Zamboanga and is very destructive of good business."

There is a well of good clear water in the grounds of the exchange, provided with an American pump, which was at first a great source of wonder to the Moros and is now by them pointed out to all newcomers

with pride. Branches of the exchange have been established at Taluk-sangay, Margosa Tubig, Labangon, Semut, and Lubungan, thus covering the entire district of Zamboanga with Moro and Subano trading posts under government supervision.

A record of the daily transactions in the exchange has been kept, showing the monthly trade to be over ₱10,000 in the main market. The establishment of this market and its careful supervision by the district governor has developed some strong native characters. It is desired to introduce a like market system into the other districts.

DISEASES OF CATTLE.

The veterinary surgeon made a thorough inspection of all the large cattle in the municipality and found surra prevalent. Fifteen animals were destroyed by his order, and this caused so much dissatisfaction that it was decided to isolate infected animals until marked symptoms should appear. A corral was built for that purpose. Failure to report cases of disease was punished by a fine. There have been five convictions.

Surra and rinderpest broke out in Dapitan in July and August, 1904. A veterinarian of the Government Laboratories, Manila, went to Dapitan in September and inoculated many animals. This practically stamped out the epidemic for some time.

AGRICULTURE AND INDUSTRY.

Drought has caused a great deal of hardship throughout the whole district. Forest fires on Basilan in February spread to the plantations and destroyed several thousand cocoanut trees and hemp plants. The rice crop has been much smaller than during the past year, the scarcity causing actual want among the Moros of Basilan and Dumanquilas Bay regions. The district governor purchased rice from his own funds, to be sold at cost price. This was all quickly disposed of by doling out in small quantities. The rice was needed only by the Moros. The Subanos have sufficient food to tide them over the drought period until new crops are available. They are the real agriculturists of the district of Zamboanga. Heretofore they have not only supported themselves but most of the Moro population, who have either treated them as slaves or subjected them to prohibitive taxation.

Compelled to respect the requirements of humane laws and refrain from piracy and other abuses, the Maguindanao Moros especially are suffering the pangs of hunger.

The various tribes of Moros have suffered more or less because of the long drought, but they could have lessened its severity upon them by industrious habits and by taking advantage of the excellent opportunities for trade offered them at the Moro exchange. They were urged repeatedly to bring in jungle produce and fish which find a ready sale at the exchange, and thus provide against the loss of crops by drought and the

destruction of working animals and stock by surra and rinderpest. Some of them heeded this instruction and warning and as a result have profited much and have been able to live with a fair degree of comfort. The Maguindanaos are beginning to realize the effects of this example, and another year will show still better results from the establishment.

PRESERVATION OF ROADS.

To enforce the act of the legislative council permitting the use of broad-tired wheels only on the roads, and the prohibition of the use of wheels rigid with their axles, and all native sledges, seems to the average native a great hardship, but it helps to preserve the roads.

Captain Finley has started a commercial museum which has been opened for the use of merchants and others seeking investment in the Moro Province, and for the instruction and guidance of natives in gathering jungle produce, searching for minerals, and opening the way for progressive development in various branches of industrial economy. The Subanos and Moros especially have shown a keen interest in the collection, and are being benefited by it. The district governor has also made preparations for issuing, by mimeograph prints, a bimonthly or quarterly trade bulletin.

The subject of the boundary line between Dapitan and Misamis is still of importance and undecided.

DISTRICT OF COTABATO.

In this district last year the natives gathered the largest crop of rice in forty years, but instead of its bringing prosperity and contentment to the people and an incentive to accomplish better things they used this for a sustenance fund to carry on hostilities against the Government.

The expeditions against Ali and his followers brought much hardship to them. The large extent of swamp lands made it impossible for the troops to capture Ali himself, as he always received notice of their coming and was able to get off in the high grass of the swamps. It is difficult for one who has not participated in that sort of an expedition to realize the hardships attendant upon it. Marching through swamps under the tropical sun, on narrow paths, through grass often 15 feet high, and suffering the attacks at night of swarms of mosquitoes which have prevented whole commands from sleeping at all. The troops stationed in the Upper Rio Grande have to use three mosquito bars to keep out the mosquitoes.

Ali now has no desire to fight Americans, but he is as yet afraid to surrender on terms that can be accepted. Every endeavor has been made to bring about a peaceful settlement. Dr. Saleeby, who knew him well, visited him and remained with him for a month, but no agreement could be made. The Tirurays in the Cotabato Valley have improved during the last year. Trade has not increased.

The municipality of Cotabato is very well off financially, and is being on the whole satisfactorily conducted.

The stealing of carabaos and slaveholding have decreased. Better things are hoped for this district in the next year. There is magnificent land for cocoanuts and hemp and excellent opportunities for American settlers with some capital. The cocoanuts are said to bear in five years. An early settlement of the Ali question is hoped for in the near future, when settlers should be encouraged.

DISTRICT OF SULU.

The district governor, Maj. H. L. Scott, Fourteenth Cavalry, also the commanding officer of the garrison, has had success in establishing law and order with so unruly a tribe as the Sulus, long known as the boldest of the pirates infesting Malayan seas. All of the natives being of the same tribe and religion, there was no opportunity to play one against the other.

The customs receipts of Jolo are much greater than those of Zamboanga, and are increasing, while the exports to foreign ports show an increase of 10 per cent over last year. The exports from the Sulu Archipelago to other ports in the Philippines are not reported. By constant effort on the part of the district and other officials the Moros have been induced to engage in agricultural pursuits and to gather produce from the seas and to bring the results of their labor into town, which they can now do since travel is unmolested and slavery and its evil consequences largely suppressed.

This increase in trade has occurred in spite of two severe campaigns against hostile Moros, the terrible storm in October which wrought great disturbance in Jolo and Siasi, and an unfortunate and miserable famine caused by the long drought which has weakened some of the people and forced them to subsist in many places on roots. Advantage was taken of this condition of affairs to endeavor to establish a fixed trade and fish industry, especially at Siasi.

Headmen of the different sections into which the capital district is divided are gradually learning to assist the district governor and be of greater use to their own people instead of oppressing and robbing them.

From Colonel Scott's report the following synopsis is taken:

Laksamana Usap last year surrendered in due form but did not long remain friendly. He protected thieves, refused to visit Jolo, and attacked the troops out surveying. He collected some 400 men in his cotta and refused all overtures for a peaceful settlement. He fired on and insulted the troops when they approached his cotta. After a severe fight the cotta was taken by the troops under Colonel Scott, Usap and his followers killed, and the cotta destroyed. Only seven men surrendered, although every opportunity was given them.

One Imamil was captured near the cotta by Moros and sent to Jolo. He ran amuck and was mortally wounded. He was taken to the hospital and placed on the operating table, where he used his last breath in throwing his betel box at the surgeon who was endeavoring to save his life.

It was ascertained that the principal cause of Usap's attitude was the advise of an Arab from Mecca, Salip Masdali, who sold him charms, planted in the four corners of the cotta, which he assured him would make him invulnerable, that he (Usap) could fight the soldiers, and that he would live forty years longer.

After much explaining to and meetings with the chiefs, Colonel Scott succeeded in making them agree to pay the cedula tax. The sultan made a speech declaring that this tax in no way interfered with the eleven tenets of the Mohammedan religion, and then asked permission to take out the first cedula.

Early in January Colonel Scott learned that a Moro of Taliceau had gone over to British North Borneo with about ten followers, had run amuck and killed or wounded about thirty persons. They returned to Taliceau and about a month later a letter from the governor of British North Borneo stated the crime and asked for the arrest of the Moros. They were located and on March 23 an effort was made to surprise them at cotta Lumbo, Taliceau, where a hostile element had collected. The troops and gunboats *Quiros* and *Paragua* were fired on and the Moros escaped with some loss.

Later they committed many offenses, fired on our troops, destroyed property of our friends, shot a mule in the artillery stables, and fired into the barrios near Jolo. The hostile element increased in strength and Colonel Scott reported the matter to General Wood, who organized a column with troops from Mindanao and Jolo, and took the field in person with them. The district governor and district secretary were with the expedition. The troops left Jolo on May 1, returning May 13, having attacked the hostiles in a very strong position, killed Pala, Paruka Utig and Tungalan of Pata, and many of their followers, with a loss to the troops of 11 killed and 25 wounded. A detachment of Philippines Constabulary formed part of the expedition, and the gunboats *Quiros* and *Paragua* coöperated, rendering valuable assistance.

The few remnants of Pala's band have since surrendered to Colonel Scott.

Captain Hayson, Philippines Constabulary, stationed at Siasi, where he was doing excellent work, was killed while asleep by the Constabulary sentinel over his quarters. This murder was due to Pala's influence through his emissaries. Seven conspirators were arrested and tried. One will soon be hanged in Siasi; another sentenced to death died in the Calarian prison.

The efforts of the district governor to encourage the natives to plant hemp, fruit, and cocoanuts have met with considerable success, and the exports of these products is constantly increasing.

The town of Jolo has steadily improved and had on June 30, 1905, a balance in its treasury of ₱7,544.01.

It is gratifying to note that during the late troubles the sultan and all important chiefs were on the side of the Government; that those who made the trouble were renegades from their influence, that they had no important influence, and that the districts of Parang, Pansol, and Look took no part. This indicates a greater hold upon the people than has hitherto been obtained.

Owing to the character of this district, for some time to come the governor should also be the commander of the troops, as a one-man power is easily understood and is appreciated by the inhabitants.

DISTRICT OF LANAO.

This district has progressed very favorably, due to the energy and good judgment of the governor, Capt. D. B. Devore, Twenty-third Infantry, who has been ably assisted by the district secretary, Capt. E. W. Griffith, Philippines Constabulary. The success of their work in the district has been made possible by the presence and assistance of the troops.

In October a misled Datu, Oato, who had been in a supposedly friendly attitude, but who had retired to his cotta and with a lot of malcontents had fired upon and otherwise insulted the troops and officials, was severely punished by the troops in a sharp and well-handled attack upon what Oato thought was a very secure position. There are still some hostile Moros at Maciu. Governor Devore has been constantly visiting the Moros and the various settlements in his district, which necessitates much discomfort and hard work. Escorts have been furnished him when needed by the military authorities.

The troops stationed at Taraca after the campaign there were withdrawn in November without bad results.

There have been fewer acts of lawlessness and the offenders in such instances have been in most cases delivered to the district governor by the headmen. A number of individual bad Moros have made attacks upon soldiers to obtain rifles, but as a general rule they were killed.

At Malabang a municipal government has been established on the recommendation of the post commander and the district governor. Two officers selected by the post commander are on the municipal council, and the justices of the peace are Army officers. The greater number of people and houses of the settlement are on the military reservation, but the municipal government is working harmoniously. The markets are developing fast at the various stations, under the guidance of the district governor, with the assistance of the military authorities, who preserve order and encourage trade.

It is expected in the near future that a military railroad will be put in between Overton and Marahui. It is hoped that this will be an electric road, on account of the many other uses to which the plant would contribute.

There are fine opportunities for white settlers with some money to establish paying plantations on the Malabang side of the lake along the Malabang River.

The Moros are being encouraged to get out timber needed by the military authorities in the construction of posts. The natives have many prosperous-looking settlements, and, as they have a great desire to make money, they are anxious to work and to trade.

Throughout the district Moros have worked well for the Government and for private individuals when handled with tact and fairness. For example: The regimental post at Keithley, with over seventy barracks, quarters, and other buildings of grass and bamboo, was built mostly by contract with Moro chiefs and laborers. They live up to contract, conditions and penal clauses included. They furnished logs for the quartermaster sawmill. This was due largely to the energy, tact, and fair dealings of Captain Davidson, quartermaster there. They furnish corduroy for the roads and fuel for the Overton ice plant. Major Hardie, of Overton, had great influence over those with whom he came in contact, and his work was far-reaching, so that when he left a number of sultans addressed a letter to the department commander to request his retention.

To quote Governor Devore:

There are many feuds among the different tribes which have resulted in the killing of a number of Moros, whose law in such cases is of ancient origin, "a life for a life." This is gradually giving way and the Moros are beginning to give assistance in the capture of criminals, thieves, etc., for punishment by organized law; many of the more influential Moros recognize a better and more prosperous condition of affairs now than before the coming of organized power, though it will take time to convince them all that a government which taxes them without their having a voice in the matter of taxation nor use of the funds is really the best sort of government for them. They were wily of the cedula at first, but the only objection I find now is lack of the necessary peso; rice is very scarce, and, that being their main food, they are having a hard struggle to meet the coming harvest. I have visited all the wards in the district except Munay, and the large increase in cultivated land over last year shows that a great many Moros are doing honest labor. The sawmill at Marahui has given work to many Moros in cutting logs and rafting them in the lake, where they are bought and taken to the mill by the launch. The Moro in general will work if he sees pay ahead. If modern methods of agriculture could be introduced in such a way as to be applicable to the conditions, the saving of labor and increased products would give a healthy impetus to good order and improvement among the Moros. When they are far enough removed from their savage nature to appreciate that protection can be given them in their goods and chattels, as well as personal protection, I think they will be encouraged to accumulate a little property.

The Moros who went to the St. Louis Exposition returned in the early part of this year and seem to be benefited by their visit, and their influence among their

friends has been good. No case has been brought up to me showing an intentional wrong by any one of the Moros who visited the United States. Now many of the influential Moros want to visit the United States, and I recommend that arrangements be made for a number of headmen and important dattos to visit the States next summer for the express purpose of teaching them the value of labor and showing them the results of it on well-regulated farms of rice, cotton, fruits, and other tropical products. A visit of this sort, I believe, would be very beneficial for this section of the Moro country.

The number of reclamas is decreasing gradually, which indicates a little improvement; within the last month some old feuds broke out in which three Moros were killed. Oato people killed a Binadayan Moro; a Lenoc Moro killed one of Ama-i-Binnanings men, and a Ramaien-Detch-en feud resulted in the killing of one Moro. A visit was made to Ramaien and Detch-en Monday, June 26, and a Winchester repeating rifle taken up, a shot from which killed the Moro referred to above. The Moro who fired the shot is to be brought in Sunday, July 2. The Winchester was brought from the States by a Moro. Oato has made an effort to catch the men implicated in the killing of the Binadayan Moro, but so far without success. Ama-i-Poingen, of Lenoc, has been ordered in on account of the killing there, but he is a little slow responding. A soldier was killed on Sunday, June 25, by two Moros from Tauan. By previous arrangement a rendezvous was made where the Moros were to bring bino (native wine) to the soldiers; a dispute arose in which one soldier was killed and two Moros wounded. Troops were sent out promptly and made a prisoner of a Moro found near where the affray took place. It was reported that the Moro tried to run away and was killed. An investigation developed that the soldiers tried to take the bino without paying for it, that the sergeant fired a shot from a revolver, and was immediately attacked and killed. The two wounded Moros were brought in on being sent for and are now in the hospital, their wounds not considered fatal. These Moros will not be further punished, as it is believed the soldiers were the aggressors. The Moro killed was one sent by Ama-i-Sankakala to search for a lost pony, and he happened to be in the vicinity where the sergeant was killed when the troops arrived. Moros make numerous complaints about hunting parties or armed parties firing into their towns and houses. Accidents have occurred in this way. These depredations by soldiers are difficult to adjust, and the Moros are inclined to feel that the soldiers are anxious to get a chance shot into their towns and houses.

Much care has been given to the development of responsibility among headmen and deputies, and they have responded excellently. The fact that the assistant to the governor and Sergeant Easly can visit throughout the lake country and enforce law and peaceful conduct is conclusive. Mr. Chapman has spent months living with the Moros to study their language and customs.

The raising of the Spanish gunboats and their use in civil work, through the courtesy of the military authorities, has had the greatest benefit in changing conditions for the better. The visit of the Lanao Moros at different times with Captain Devore and Major Hardie, to Zamboanga, has had good results. Their shipping out hemp, rubber, etc., to coast merchants has helped them to see the advantages in developing their trade and incited them to cultivate their grounds and secure products from the jungles.

DISTRICT OF DAVAO.

This district has shown encouraging progress under the direction of the district governor, Lieut. E. C. Bolton, Seventeenth Infantry, in spite of the severe setback caused by the drought. There are a good number of Americans, Spanish, and other foreigners, as well as Filipino planters, who are as a rule prosperous.

There have been several companies formed of residents in the Philippines, generally in Manila, who pay into the common fund so much per month, while a representative in Davao takes charge of the plantation. A white man to settle in Davao, or, indeed, anywhere in this province, for the purpose of planting should have \$100 per month that he can count on for three years. It will cost him \$50 per month to live properly. To succeed he must be energetic, of good constitution, and of good character, because his success will depend on his ability to influence the wild tribes and to get them to work for him. If all goes well he can hope for a return from hemp planting in two years, but there are always vexatious delays and other unforeseen causes for losses.

With hemp, cocoanuts should be planted. The cost¹ of setting out 500 acres in cocoanuts and properly caring for them for eight years is estimated at ₱69,300; crop returns after the fifth year to include the eighth, ₱64,000, so that considerable capital is needed for planting on a large scale.

The planters in Davao are as a rule squatters, but they say that they have every faith in the Government of the Islands and know that their rights will be protected. Opportunities exist for several hundred planters of the right sort with capital. Should the number increase the Government must aid in bringing in labor. For planting hemp, cocoanuts, and rubber but a small amount of land is needed, which can be had at a small cost, under the leasing clause of the Public Land Act, as soon as it is extended to this province.

The cost of the government in Davao has been very small.

The small subsidized steamer has given the planters and merchants the advantages of low tariffs.

District Governor Bolton has done excellent work in settling the difficulties between the wild tribes and in building up new villages and reestablishing old ones. A paddle-wheel steamer has been put on the Gulf of Davao by Mr. Boardman for commercial purposes, and it is hoped that the venture will pay him, as the advantages to the gulf will be very great. Lieutenant Bolton has reestablished and continued a telephone line from Davao for many miles down the west coast of the bay, at a cost of ₱12 a mile for construction, due to the desire of the inhabitants to have the benefits of its use. The line is now under the Constabulary, who furnish a lineman. By a harmonious agreement among all concerned, the maintenance is very cheap.

¹ Hand-Book, Federated Malay States.

The following is taken from Lieutenant Bolton's report:

There are five municipalities in the district—Davao, Mati, Caraga, Baganga, and Cateel—and four tribal wards organized under Act No. 39, legislative council. The municipality of Davao has seven barrios with forty-eight villages, twelve of which have been founded since July 1, 1904. The gain in houses during the year was 400, and in population 1,170.

Approximate classification of population.

Moros:

Christian	2,000
Mohammedan	600
Bagobos, Christians	1,200
Samales	1,000
Calaganes, infidel	500
Tagacales	800
Bilanes	800
Manobos	2,400
Bagobos	500
Atas	30
Americans	22
Spaniards	180
Japanese	14
Chinese	2
Belgians and Syrians	2
 Total	 10,030

Gain during the year.

Americans	12
Spaniards	2
Syrians	1
Japanese	154
Visayans	300
Interior and coast tribes	701

The gain from wild tribes was actually far greater, but a large number was deducted from the total amount to form tribal wards.

AGRICULTURE.

One million hills of hemp and 5,000 cocoanuts were planted during the year. The drought delayed some 400,000 hemp plants eight months. There are about 10,000 acres of land under cultivation and some 250,000 acres of uncultivated land awaiting settlers.

Average monthly exports: Hemp, piculs, 22,000; copra, piculs, 200; almaciga (gum copac), 400; beeswax, 3.

Imports: Rice, piculs, 1,200.

Natural products as yet not utilized: Rubber vine, oil of biao nut, resin (breap-balo); tangal bark (tannic), hardwoods, and rattan. The government is endeavoring to stimulate a trade in these articles.

IMPROVEMENTS DURING THE YEAR.

Provincial road to beach at Davao; provincial schoolhouses at Davao, Matina, and Daleao; Davao-Santa Cruz telephone line, 26 miles completed; port light erected at Malalag; 30 Dietz street lamps placed in Davao.

There were many other minor improvements.

Mounted mail carriers deliver mail free from Davao to Malalag. Town councilors take weekly hours of duty inspecting town prison and markets and overseeing public works.

One case of slaveholding was proved before the Court of First Instance; peonage systems are gradually decreasing, the cases generally being settled by arbitration. Municipal officials are competent and satisfactory, evincing great interest in their work, making considerable personal sacrifices. Balance on hand in municipal treasury, ₱1,400. The inhabitants are prosperous and contented. The action of the Secretary of the Interior and of the Chief of the Forestry Bureau is highly appreciated.

The municipality of Mati has 7 barrios composed of 21 villages. The town and villages are kept clean; little increase or improvement shown.

Estimated monthly exports: Hemp, piculs, 58; almaciga, piculs, 180.

There are some 180,000 hemp hills and 3,000 cocoanuts and 9,000 cattle; population, 2,800. A port light has been placed at Mati.

Municipality of Caraga has six barrios with eleven villages. This municipality has not shown any marked improvement. Lacking material for town officials, peonage is general. Larger portion of inhabitants Mandayan, "new Christians." They are as a rule shiftless, very ignorant, and submissive. The rice crop has failed the last few years. Hemp does not do well on account of frequent droughts, the nature of the soil, and shiftlessness of the labor. There are about 65,000 hills of hemp, 3,500 cocoanuts, and 3,000 cattle.

Monthly exports estimated at 35 piculs.

Municipality of Baganga has four barrios with ten villages, two having been organized during the year; 2,240 inhabitants.

There are about 650,000 hills of hemp, about 90,000 having been planted during the year; and 800 acres of rice also planted.

Estimated monthly exports, 280 piculs hemp, while last year estimate was 85.

The president, V. Serra, is an exceptionally intelligent and energetic Filipino. The town is fairly well governed, is clean, and shows progress, due to the president.

The municipality of Cateel has six barrios, with estimated population of 2,400. Agricultural interest is insignificant. The inhabitants are shiftless and addicted to the use of tuba. The village of Boston is the seaport and most enterprising of all the villages.

TRIBAL WARDS.

The wild Bagobos, Gucangas, Moros, and Mandayas have been organized under Act No. 39 of the legislative council in tribal wards. These have a headman for each ward and deputy headmen for the various subdistricts. The Bagobos seem prosperous and contented in two of their districts and are improving in the third. A feud in the latter was settled by Governor Bolton in April last. The Bagobos have about 35,000 hemp hills. The Gucangas have all the villages in their ward connected by good trails, and the inhabitants seem contented. They have some 12,000 hemp hills. The Moro tribal ward had some men working in Davao on the road there. When they returned to Tagum they immediately laid out, rounded, and ditched a road for about half a mile along the river. The Mandayans and Mansacas have entered this ward at their own request. The Moros are planting hemp and cocoanuts near all their villages. They furnish laborers on several plantations and for public works. All the nipa, bejuco, and tangal for Davao comes from the Moro ward. The collection of cedula, cattle, and arm registration taxes have been made among them without difficulty.

Three Moro tribal councils were held during the year, attended by all dattos and principal men, to discuss tribal ordinances and public taxes and to try tribal officials for disobedience. A large council house has been erected at Tagum. No crimes reported during the year.

The unorganized tribes are Manobos, Tagacalas, Bilanes, Libabaoan, Manganun, Mansaca, Managusan, and Atas.

SUMMARY.

The following shows the cost of the various branches of the government during the last fiscal year:

Expenditures, Moro Province.

Executive officers, provincial and district governors, and secretary....	₱60,564.01
Treasury:	
Office of provincial treasurer.....	₱13,534.53
All offices, district treasurers.....	25,657.50
	39,192.03
Public works and supplies:	
Cost of office of provincial engineer.....	11,819.99
Construction, repairs, and supplies	249,562.30
	261,382.29
Judiciary:	
Office attorney Moro Province and assistant.....	11,946.56
Other expense	10,827.92
	22,774.48
Schools:	
Office superintendent of schools.....	12,302.61
Salaries, rents, supplies, miscellaneous expense.....	102,644.95
	114,947.56
Health	3,553.70
Guaranties and subsidies, steamships.....	6,993.13
Bates treaty subsidies, Sultan of Sulu and advisers.....	19,402.00
Collecting customs	52,409.40
Total expenditures	581,218.60

Table showing cost, by districts, etc., during fiscal year 1904-5.

Item.	Moro Province.	Administration.	Zamboanga.	Cotabato.	Sulu.
Executive.....	₱18,418.96		₱9,626.21	₱5,664.48	₱12,584.32
Treasury: Rents, transportation, postage, traveling expenses, and supplies.....		₱13,534.53	5,911.57	4,136.58	8,754.30
Public works.....	11,420.17		38,982.44	160.00	12,755.13
Provincial office building.....	13,052.63				
Calarian prison.....	30,080.60				
Road-working machinery.....	26,269.09				
Construction and repair of buildings	1,237.19				
Roads and bridges.....	30,825.44				
Transportation of freight.....	3,902.52				
Wharves and docks.....	7,854.95				
Building supplies.....	10,652.96				
Justice		17,383.06	1,472.34	1,334.10	1,649.44
Schools	8,750.02	12,302.61	58,594.96	7,411.29	8,867.71
Board of health.....	3,479.50				74.20
Ship subsidies.....	6,993.13				
Subsidies to Sultan of Sulu and advisers ¹					19,402.00
Total.....	161,516.99	54,640.37	114,587.52	18,726.45	259,087.10

¹ Paid by the Insular Government.

² To which should be added the difference in cost between the customs collections at Bongao and cost of the customs department there, which should be charged against the district of Sulu instead of against collection of customs, ₱1,083.82.

Table showing cost, by districts, etc., during fiscal year 1904-5—Continued.

Item.	Lanao.	Davao.	Customs.	Total.
Executive	₱ 8,505.13	₱ 5,764.91	₱ 52,409.40	₱ 112,973.41
Treasury: Rents, transportation, postage, traveling expenses, and supplies	3,980.01	4,447.06	—	35,764.05
Public works	31,903.76	19,144.29	—	114,365.79
Provincial office building	—	—	—	13,052.63
Calarian prison	—	—	—	30,080.60
Road-working machinery	26,269.10	—	—	52,538.19
Construction and repair of buildings	—	—	—	1,237.19
Roads and bridges	—	—	—	30,825.44
Transportation of freight	—	—	—	3,902.52
Wharves and docks	—	—	—	7,854.95
Building supplies	—	—	—	10,652.96
Justice	915.54	—	—	22,774.48
Schools	5,249.66	14,821.33	—	115,997.58
Board of health	—	—	—	3,553.70
Ship subsidies	—	—	—	6,998.13
Subsidies to Sultan of Sulu and advisers ¹	—	—	—	19,402.00
Total	76,823.20	44,177.59	52,409.40	581,968.62

¹ Paid by the Insular Government.

The apparent discrepancies are easily explained. The cost of certain school buildings was in one case included in the cost of education and in another under public works for the purposes of illustration.

While a good deal of money has been spent for temporary measures, which always means a loss, yet the newness of the government and the urgency of the cases demanded it.

The announced policy of the legislative council is to limit its appropriations for public buildings and works to those of a permanent character, after carefully studied projects have been approved. Until the revenues increase many necessary works will have to wait.

This province should in the near future attract capital, as there is so much unoccupied and very rich ground and thousands of acres of tropical forests awaiting the coming of agriculturists and others. Questions of politics do not enter to any embarrassing extent in the province, owing to the great diversity of the population and the simple state of society. There are some twenty-eight tribes, with different customs and dialects. Most of these take kindly to the supervision of the white man, and the settlers, by working in accord with the local officials, obtain better results.

For a successful provincial government here frequent inspections by administrative officials are essential, necessitating constant travel. This is limited by the small number of boats and is possible at present only through the courtesy of the military authorities.

The province entered upon the new year with a balance in its favor of over ₱100,000, as it was thought better to wait until the amount of the refunds from Manila was known before making large appropriations.

The Insular Government supplied Jolo with a new custom-house, and the province must now build one with a bonded warehouse at Zamboanga.

Requests for allotments for public works and schools from all districts

are constant, and the cost of running the government must gradually increase.

Attached hereto¹ are copies of certain acts passed by the legislative council since the last annual report; also a map on which are indicated the various places mentioned in this report.

The employment of officers of the Army and of the Constabulary greatly lessens the cost of the local government and permits larger appropriations for public works and measures of general utility. It also harmonizes the relations of the various branches of the services and is of incalculable benefit to all.

The many letters of inquiry received from would-be settlers, the increase in revenues and in the value of the exports, and the benefits derived from public improvements and subsidies give promise of future success.

Respectfully submitted.

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¹ Not printed.





